

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Andhra Pradesh Financial Access Project (a program to Enhance Financial Access through Technology in Andhra Pradesh) – December, 2008 to November, 2011 – Order-issued.

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PANCHAYAT RAJ AND RURAL DEVELOPMENT (RD.I) DEPARTMENT

G.O.Rt.No. 1899

Date: 18-12-2008

Read:

From CEO., SERP, Hyderabad, Rc. No. 613/APFAP/LH/SERP/2008,  
dt.29.11.2008.

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ORDER:

In the reference read above, the Chief Executive Officer, Society for Elimination of Rural Poverty, has submitted a proposal on Andhra Pradesh Financial Access Project (December, 2008 – November, 2011) with a total outlay of Rs.20.73 crores (*Rupees Twenty Crores and Seventy Three Lakhs Only*), out of which, Rs.7.60 crores (*Rupees Seven Crores and Sixty Lakhs Only*) is a grant the World Bank and the remaining Rs.13.13 crores (*Rupees Thirteen Crores and Thirteen Lakhs Only*) from the ongoing projects implemented by SERP and requested for its approval.

2. The Rural Development Department of the Government of Andhra Pradesh has been implementing the World Bank assisted poverty reduction projects since the year 2000 through the Society for Elimination of Rural Poverty (S. E. R. P). The main objective of these projects is to enable the rural poor in the state particularly the Poorest of the Poor to improve their livelihoods and quality of life through their institutions (SHGs at the grassroots and their federations at Village, Mandal and District level). These projects are covering all the districts and focusing on all rural poor families in all the 1097 rural mandals of the state. Apart from building institutions of the poor and their unparallel access to the mainstream institutional finance, the projects have introduced commodity marketing, sustainable agriculture, jobs to youth program and dairy activities for improving the livelihoods of the poor. The projects have also introduced food security, insurance, health, disability, gender and education programs for improving the quality of life of the poor.

3. The Society for Elimination of Rural Poverty, has successfully negotiated with Consultative Group to Assist Poor (C.G.A.P) and the World Bank to provide grant for technology initiatives to bring financial transparency to its various operations at community level. The C.G.A.P

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grant is channelized through the World Bank. The rationale of the program is to expand access to finance for poor people in rural Andhra Pradesh (AP) leveraging the Community-Based Organization (CBO) infrastructure in place. At the end of the project, transactions of SHGs and their federations are captured on real-time basis and SHG members and their SHGs/federations will have access to information for analysis and assessment of their own performance. Besides, this vast information is available in the form of information bureau for accessing enhanced financial and other services from mainstream sources. The majority of the VOs will be acting as customer service providers (CSPs) or agents of the commercial banks.

4. The main components of the project are

- Improve the financial transparency of Self-Help Groups (SHGs) by capturing all data on SHGs' and VOs' financial and livelihood activities at source.
- Create a rural credit bureau capability to help SHG members access a broader range of financial services.
- Enable Village Organizations (VOs) to act as Customer Service Providers (CSPs) for banks. The key challenge is to make the CSP activity commercially viable for the banks and probably their Business Correspondents (BCs).

5. Project duration is 3 years from December 2008 to November 2011 with an outlay of Rs.20.73 crores (*Rupees Twenty Crores and Seventy Three Lakhs Only*), out of which Rs.7.60 cores (*Rupees Seven Crores and Sixty Lakhs Only*) is a grant from the World Bank and the remaining Rs 13.63 crores (*Rupees Thirteen Crores and Sixty Three Lakhs Only*) comes from the ongoing projects implemented by SERP.

6. There will be a Program Steering Committee composed of the following:

GOAP	:	Principal Secretary, Department of Rural Development Secretary, Department of Information and Technology Commissioner, Department of Rural Development Director, SHGs
SERP	:	Chief Executive Officer
CGAP	:	Consultant, CGAP and/or Manager of the Technology Programme
WB	:	Lead Rural Development Specialist and Task Manger, APRPRP (Sri Vijay Kalavakonda as alternate)

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7. The outcomes of the project are:

- All Rural Development sponsored or delivered products and services are implemented through the smartcard. Through the card, the member feels ownership over her data.
- The existence of a personal profile enhances the ability of members to go beyond the SHG structure and access third-party services.
- SHG members feel fully involved in the SHG meeting process, with ready access to all the information they need on their own financial situation as well as on the group's. Equally, the SHG federation structure has reliable, up-to-date information on the structures below them.
- Transparency makes the whole structure more accountable and better performing.
- The CSP activity is commercially viable for the banks, BCs and VOs

8. After careful examination, Government hereby accord approval for the proposal the Chief Executive Officer, Society for Elimination of Rural Poverty on Andhra Pradesh Financial Access Project (December, 2008 – November, 2011).

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

K, RAJU,  
PRINCIPAL SECRETARY TO GOVERNMENT (RD)

To

The Chief Executive Officer, SERP, A.P., Hyderabad.

The Secretary, Ministry of Rural Development, GOI, New Delhi.

The Commissioner, Rural Development, A.P., Hyderabad.

The Sri Parmesh Shah, Lead Rural Development Specialist, Agriculture & Rural Development, Sustainable Development Unit, World Bank, 17 Lodi Estate, New Delhi. PIN-110003.

The Finance (PMU) Department,

The Finance (Expr PR&RD) Department.

//FORWARDED::BY ORDER//

SECTION OFFICER